

# Government of Canada Securities

A Publication of the Department of Finance

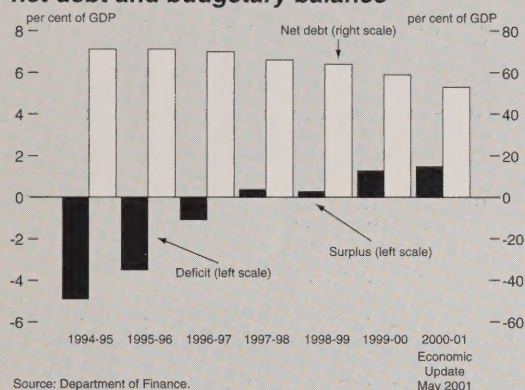
July 2001

## Canadian Economy

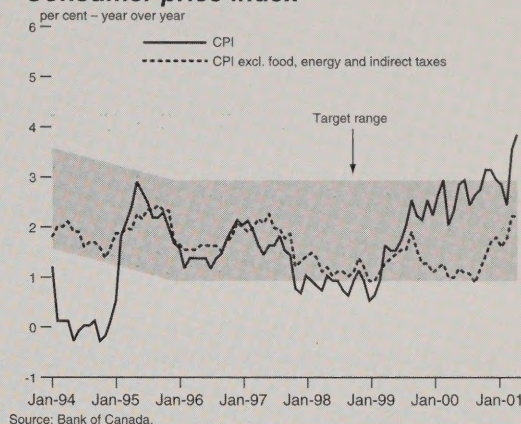
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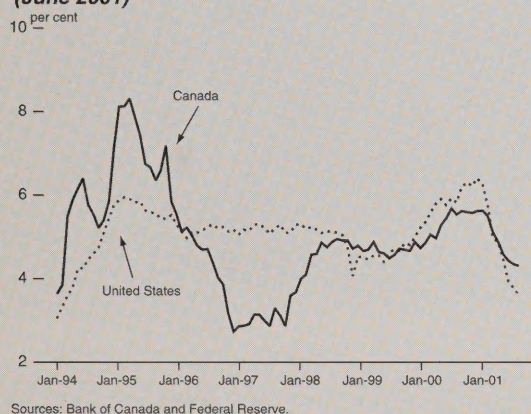
### Government of Canada net debt and budgetary balance



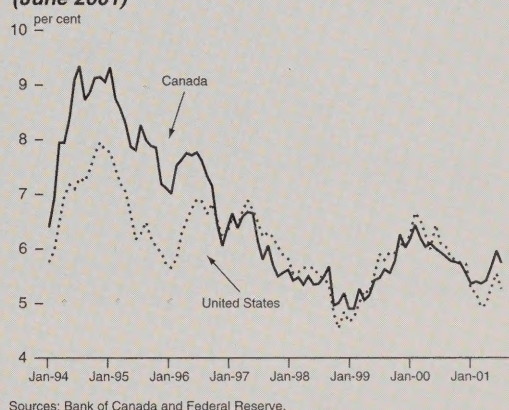
### Consumer price index



### 3-month Treasury bill rates (June 2001)



### 10-year government bond rates (June 2001)



### Upcoming economic data releases of interest

#### August

July Labour Force Survey  
(August 10)

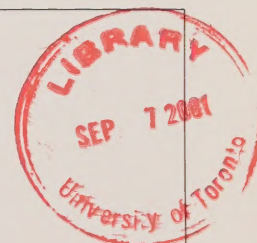
July CPI  
(August 21)

National Economic and Financial Accounts  
April-June 2001  
(August 31)

#### September

August Labour Force Survey  
(September 7)

August CPI  
(September 18)





# Government of Canada Securities

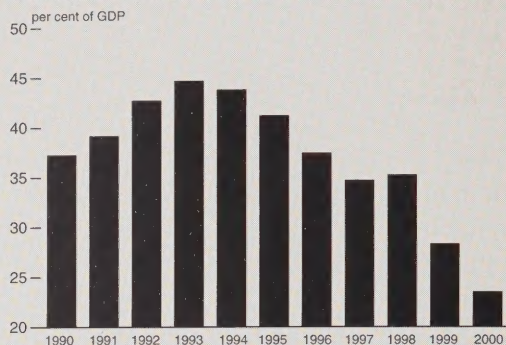
## Canadian Economy

**Selected Canadian economic statistics**

			2000		2001
	1999	2000	Q3	Q4	Q1
<b>Annualized growth rates</b>			(per cent)		
Real GDP	5.1	4.4	4.5	1.6	2.5
Final domestic demand	4.1	4.0	3.9	1.1	2.2
Employment growth	2.8	2.6	1.0	3.0	0.9
<b>Other</b>					
Unemployment rate	7.6	6.8	6.9	6.9	7.0
Current account balance (percentage of GDP)	0.2	2.5	2.6	3.2	4.6

Source: Statistics Canada.

**Canada's net international liabilities**



Source: Statistics Canada.

**Canada's current account balance and merchandise trade balance**



Source: Statistics Canada.

**Exchange rate**



Source: Bank of Canada Review.

**Monetary conditions index**



Source: Bank of Canada.

**Canadian monetary aggregates**



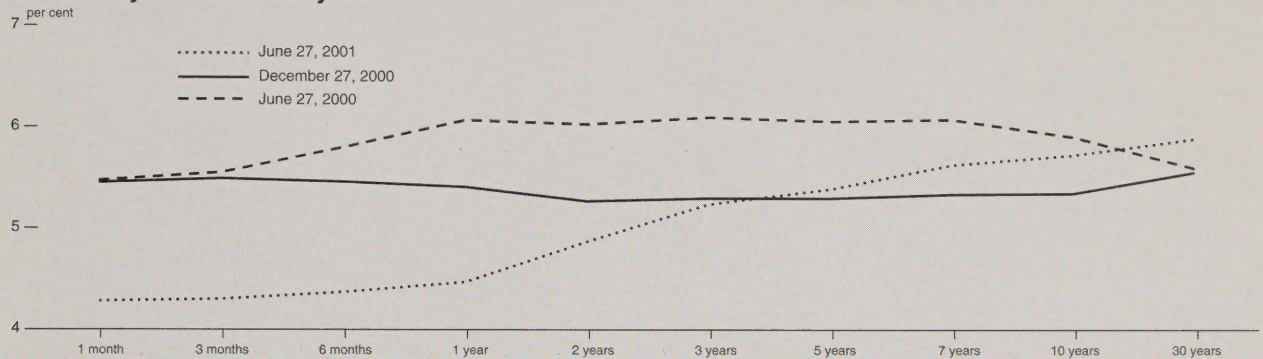
Source: Bank of Canada Review.



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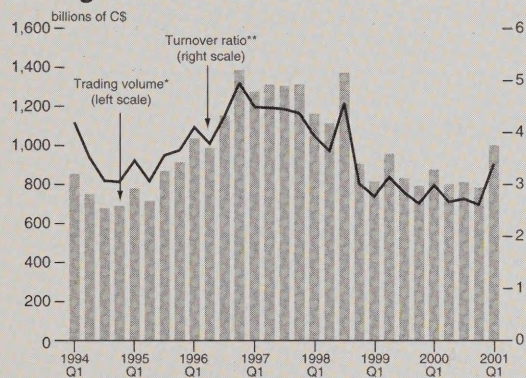
## Secondary Market

### Canadian yield-to-maturity curve



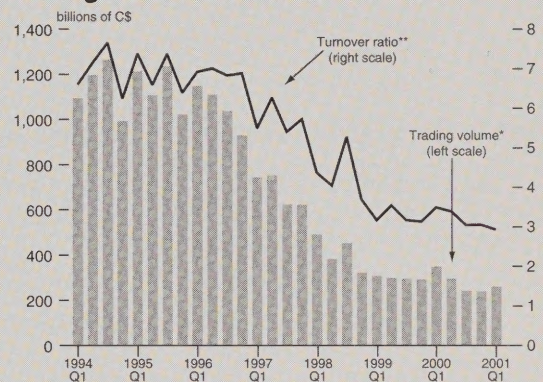
Source: Bank of Canada Review.

### Government of Canada bonds trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government of Canada Treasury bills trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government securities distributors

- Bank of Montreal (Treasury bills only)
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- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
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- CTI Capital Inc.
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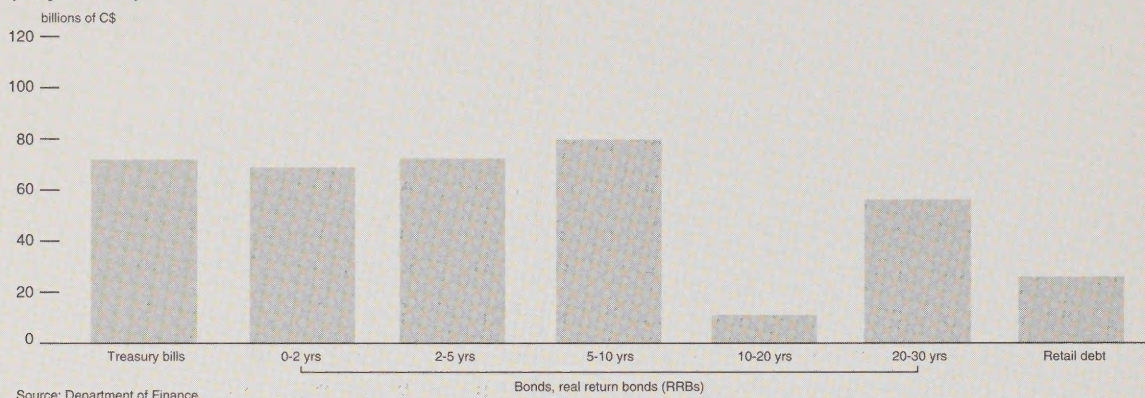
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# Government of Canada Securities

## Primary Market

### Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (July 5, 2001)



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 13, 2001	2	Dec. 1, 2003	5	3,500	99.959	5.019	2.2	0.6
June 6, 2001	30	Dec. 1, 2031	4***	350	107.558	3.59	2.9	n.a.
May 30, 2001	5	Sept. 1, 2006	5.75	2,500	100.16	5.712	2.2	1.3
May 2, 2001	10	June 1, 2011	6	2,500	101.84	5.756	2.2	1.1
Apr. 18, 2001	30	June 1, 2029	5.75	1,900	97.185	5.957	2.5	0.5

\*Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*\*Tail is defined as the high accepted yield minus the average yield.

\*\*\*RRB.

Source: Department of Finance.

### Forthcoming Government of Canada bond auctions

Type of issue	Auction date (2001)	Further details of issue (2001)	Dated and delivered (2001)	Amount maturing*
				(millions of dollars)
10-year auction	July 25	July 19	July 30	-
5-year auction	August 15	August 9	August 20	-
2-year auction	August 29	August 23	August 31	-
RRB	September 12	September 6	September 17	-

Note: Three repurchase operations of Government of Canada marketable bonds are planned under the bond repurchase program. The target amount for repurchase this quarter is \$1.2 billion. Repurchase operations will take place in conjunction with each nominal bond auction. Further details will be released with the bond auction Call For Tenders of the corresponding sector.

\* Maturity of \$9,920 million on September 4, 2001.

Source: Department of Finance.



# Government of Canada Securities

## Primary Market

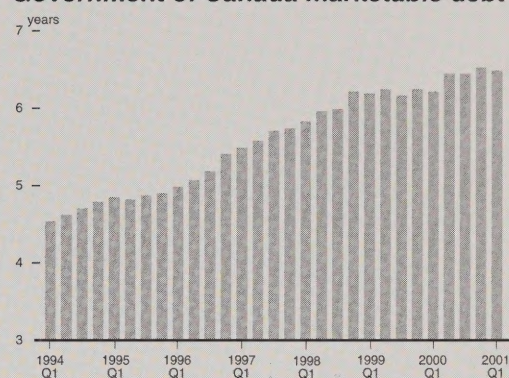
### Government of Canada bond market benchmarks (July 4, 2001)

Term	Maturity	Coupon	Amount outstanding	Yield
		(%)	(millions of dollars)	(%)
<b>Fixed-coupon</b>				
2-year	June 1, 2003	5.75	7,000	5.03
5-year	Sept. 1, 2005	6.00	11,100	5.60
10-year	June 1, 2010	5.50	10,100	5.91
30-year	June 1, 2029	5.75	10,100	6.02
<b>Real return</b>				
30-year	Dec. 1, 2026	4.25	5,250	3.56

Note: The normal bid-ask spread on these bonds is around 5 cents.

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



### Forthcoming Government of Canada marketable bond maturities

July-September 2001	October-December 2001	January-March 2002	April-June 2002
(millions of dollars)			
9,920	10,931	552	13,861

### Outstanding Government of Canada foreign-currency debt (June 2001)

	(US\$ millions)
Canada Bills	4,420
Canada Notes	928
Outstanding under EMTN program	2,583
6% US\$ bonds maturing July 15, 2002	1,000
5% US\$ bonds maturing February 19, 2003	2,000
6% US\$ bonds maturing November 30, 2004	2,000
6% US\$ bonds maturing July 21, 2005	1,500
6% US\$ bonds maturing August 28, 2006	1,000
6% NZ\$ bonds maturing October 3, 2007	319
4% DM bonds maturing July 7, 2008	2,219
5% US\$ bonds maturing November 5, 2008	2,500

Source: Department of Finance.

### Canada's level of liquid foreign reserves

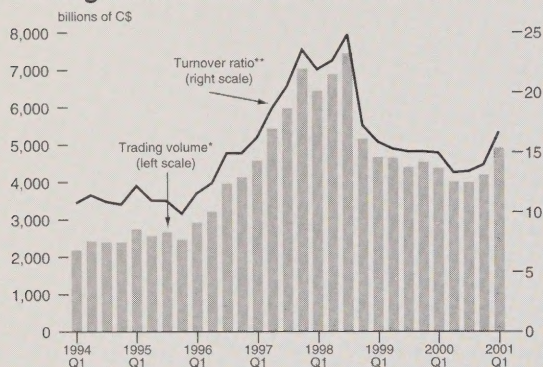




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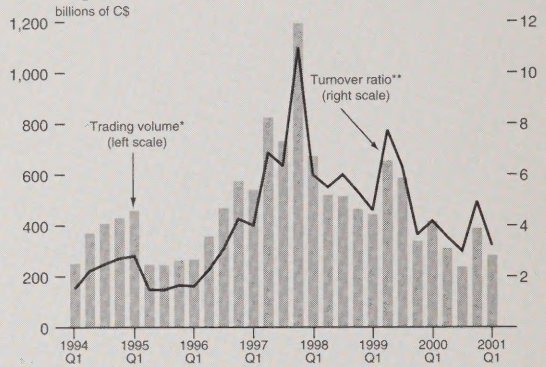
## Secondary Market

**Government of Canada bond repos trading volume and turnover ratio**



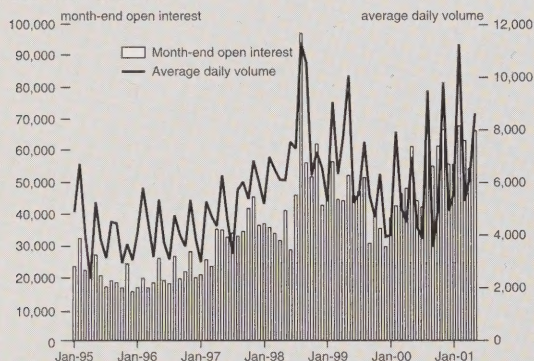
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**Government of Canada Treasury bill repos trading volume and turnover ratio**



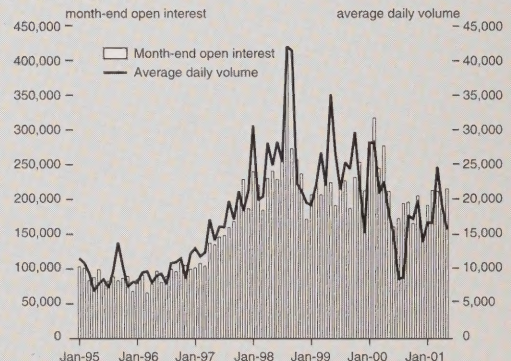
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**10-year Government of Canada bond futures**



Source: The Montreal Exchange.

**3-month bankers acceptance futures**



Source: The Montreal Exchange.

### Government of Canada long-term credit ratings

	Standard & Poor's	Moody's Investors Service	Dominion Bond Rating Service
	Current	Current	Current
<b>Domestic debt</b>	<b>AAA</b>	<b>Aa1</b>	<b>AAA</b>
- Trend	Stable	Stable	Stable
<b>Foreign debt</b>	<b>AA+</b>	<b>Aa1</b>	<b>AA (high)</b>
- Trend	Stable	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>.  
 Except as noted, the information in *Government of Canada Securities* is based upon data available up to July 5, 2001.  
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